

Decision **PROPOSED DECISION OF ALJ DUDNEY AND ALJ DARLING**
(Mailed 5/28/2013)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the
Commission's Own Motion into the Rates,
Operations, Practices, Services and Facilities
of Southern California Edison Company
and San Diego Gas and Electric Company
Associated with the San Onofre Nuclear
Generating Station Units 2 and 3.

Investigation 12-10-013
(Filed October 25, 2012)

And Related Matters.

Application 13-01-016
Application 13-03-005
Application 13-03-013
Application 13-03-014

**DECISION AUTHORIZING ENERGY DIVISION TO
RETAIN TECHNICAL CONSULTANTS**

Summary

This decision authorizes the Director of the Energy Division to retain one or more technical consultants to advise the Commission, its staff, and the assigned Administrative Law Judges in this proceeding. Costs of the consultant(s), not to exceed \$150,000, will be borne by San Diego Gas & Electric Company and Southern California Edison Company in proportion to their ownership of the San Onofre Nuclear Generating Station (SONGS). The utilities are each authorized to establish a SONGS Technical Assistance Memorandum Account to record the costs of the consultants. The utilities are further

authorized to submit an advice letter seeking recovery in rates of costs recorded in this account.

Background

On November 1, 2012, we opened this investigation to consolidate and consider issues raised by the extended outages of Units 2 and 3 at the San Onofre Nuclear Generating Station (SONGS). These units are located adjacent to Camp Pendleton near San Clemente California. They are jointly owned by Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and the City of Riverside (with shares of 78%, 20% and 2% respectively).¹ In opening this investigation, we noted that:

This investigation will consider the causes of the outages, the utilities' responses, the future of the SONGS units, and the resulting effects on the provision of safe and reliable electric service at just and reasonable rates. Due to the size, location, ownership structure, and unique nuclear licensing requirements of SONGS, the unexpected outages raise particularly complex issues.²

On January 28, 2013 assigned Commissioner Michel Peter Florio and Administrative Law Judge (ALJ) Melanie M. Darling issued a scoping memo for Phase 1 of this proceeding and broadly stated the scope of future Phases. On May 1, 2013 ALJ Kevin R. Dudney was co-assigned to this proceeding.

Discussion

In the course of this Investigation, we will necessarily consider complex, technical issues. For example, many of the questions raised are related to

¹ The City of Riverside is a municipal utility not under the California Public Utilities Commission's (Commission's) jurisdiction.

² Order Instituting Investigation (I.) 12-10-013 at 2.

complex nuclear engineering and safety (e.g., causes of the steam generator damage and repair/replacement proposals in Phase 3). The Commission, its staff, and the assigned ALJs require technical assistance in order to properly evaluate the issues of this Investigation. Therefore, we authorize the Energy Division Director to retain one or more relevant consultants to provide such assistance, at a total cost not to exceed \$150,000.

We have previously directed utilities under our jurisdiction to bear the costs of similar contractors.³ In this instance, we will follow the practice set forth in D.07-12-052 and direct SDG&E and SCE to each create a SONGS Technical Assistance Memorandum Account (STAMA) to record Commission-approved costs of the consultants. SDG&E and SCE shall each file a Tier 1 advice letter within 20 days of the effective date of this decision to establish a STAMA. The STAMA shall operate similar to the utilities' Long Term Procurement Plan Technical Assistance Memorandum Accounts that they established pursuant to D.07-12-052. The Commission will send approved invoices related to the consultants to SCE and SDG&E for payment of costs incurred under the contract(s). SCE and SDG&E should pay these Commission-approved invoices in proportion to their ownership of SONGS (80% SCE; 20% SDG&E). The utilities may recover these costs in the STAMA in rates after filing a Tier 1 Advice Letter. This advice letter shall include copies of the Commission-approved invoices which are being recovered in rates and shall show a calculation of the total amount being recovered, including any interest accrued in the STAMA.

³ See Decision (D.) 07-12-052 at 189-191 and D.08-10-016 at 128-150.

Comments on Proposed Decision

The proposed decision of the ALJs in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on June 17, 2013 by Coalition to Decommission San Onofre and Women's Energy Matters (jointly), and no reply comments were filed.

Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and ALJ Kevin Dudney and ALJ Melanie M. Darling are the assigned ALJs in this proceeding.

Finding of Fact

The issues in this proceeding require specialized expertise; it is reasonable to authorize the Director of the Energy Division to undertake steps to retain one or more consultants to advise the Commission, its staff, and the assigned ALJs on technical issues in this proceeding.

Conclusions of Law

1. It is reasonable that the costs of technical consultants to the Commission and its staff should be borne by SDG&E and SCE in proportion their ownership of SONGS (80% SCE; 20% SDG&E).

2. SCE and SDG&E should each establish a memorandum account to record Commission-approved expenses for these technical consultants.

O R D E R

IT IS ORDERED that:

1. The Director of the Energy Division shall undertake steps needed to retain one or more consultants to advise the Commission, its staff, and the assigned Administrative Law Judges on technical issues in this proceeding.

2. The costs of the consultant(s) shall be borne by San Diego Gas & Electric Company and Southern California Edison Company in proportion to each company's ownership of the San Onofre Nuclear Generating Station.

3. The costs of any consultant(s) retained under Ordering Paragraph 1 shall not exceed \$150,000.

4. San Diego Gas & Electric Company and Southern California Edison Company shall each establish a San Onofre Nuclear Generating Station Technical Assistance Memorandum Account to record the Commission-approved costs of the consultants.

5. Within 20 days of the effective date of this decision San Diego Gas & Electric Company and Southern California Edison Company shall each file a Tier 1 Advice Letter to establish a San Onofre Nuclear Generating Station Technical Assistance Memorandum Account. The advice letter shall be effective on filing subject to Energy Division determining that it is in compliance with this decision.

6. San Diego Gas & Electric Company and Southern California Edison Company are authorized to file a Tier 1 Advice Letter to recover in rates the Commission-approved costs incurred by any consultant(s) retained under Ordering Paragraph 1. The advice letter shall include copies of the Commission-approved invoices being recovered in rates and shall show a calculation of the total amount being recovered, including any interest accrued in the San Onofre Nuclear Generating Station Technical Assistance Memorandum Account. The advice letter shall be effective on or after the date filed subject to Energy Division determining that it is in compliance with this decision.

7. Investigation 12-10-013 et al. remains open.

This order is effective today.

Dated _____, at San Francisco, California.